



Council Communication

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: DOUG MARSHALL, HUMAN RESOURCES ANALYST 480-503-6857 DM

THROUGH: CARRIE BOSLEY, HUMAN RESOURCES DIRECTOR 480-503-6859 CB
PATRICK BANGER, TOWN MANAGER 480-503-6864

MEETING DATE: SEPTEMBER 20, 2012

SUBJECT: HUMAN RESOURCES – REQUEST FOR ONE (1) NEW POSITION OF SENIOR PROJECT MANAGER (GRADE 23) AND ONE (1) NEW POSITION OF PROJECT MANAGER (GRADE 19) FOR THE ENGINEERING – CAPITAL PROJECTS DIVISION

STRATEGIC INITIATIVE: Financial Plan

The request supports the Financial Plan Strategic Initiative by reducing the financial impact of the Capital Projects program through establishment of self sufficient in-house project management.

LEGAL REVIEW

☐ Complete

☒ N/A

FINANCIAL REVIEW

☐ Complete

☒ N/A

RECOMMENDED MOTION

A MOTION TO APPROVE THE ADDITION OF ONE (1) NEW POSITION OF SENIOR PROJECT MANAGER (GRADE 23, \$62,731 - \$87,825) AND ONE (1) NEW POSITION OF PROJECT MANAGER (GRADE 19, \$54,602 - \$76,443) FOR THE ENGINEERING - CAPITAL PROJECTS DIVISION

BACKGROUND/DISCUSSION

Gilbert has utilized contracted services in order to assist in the coordination and management of the Capital Improvement Program (CIP) since 2003. The magnitude and scale of the program has required a significant effort to assure that projects can be completed as efficiently and effectively as possible. Contracted services have included: procurement of designers, project/construction managers and contractors; scope of service development, determination of construction delivery methods; development, negotiation, and management of contracts; land acquisition; utility coordination; schedule and cost control; development and review of CIP procedures and policies. The Town's current

program/project management model is based on a collaborative effort between Town staff, Arcadis program managers and the selected Architectural/Engineering firms and contractors for each project. Additionally, within each project the Town has contracted for Project Management/Construction Management role to assist through design and construction.

At the direction of Council, the Capital Projects Group reviewed the CIP project delivery model and developed a transition plan from consultant services to Town staffed positions with a targeted transition completion in FY14. The transition plan that was developed included a continuation of contracted staffing with Arcadis for program management at a reduced staff level of two consultants during FY12 and FY13. In FY13, two new Town staff positions of Senior Project Manager and Project Coordinator were approved, overlapping with two Arcadis full time consultants to adequately manage all of the projects that are ongoing and planned for the 2012-17 CIP and to facilitate a transition and training program for the new Town staff. The recruitments for the staff positions have been completed and both new hires are scheduled to begin employment by mid September.

Staff has reassessed the transition plan as a result of two recent events affecting Arcadis service delivery. One of the two contracted individuals from Arcadis was hired to fill the Town's new Senior Project Manager position. The other individual has left Arcadis. By contract, Arcadis would assign new project managers to replace the two individuals who left. However, staff has recommended termination of the Arcadis contract early because the contract ends June 30, 2013 and it would not be efficient or fiscally responsible to retrain contractors on Town processes and procedures for this short time.

As part of the long term planning for CIP needs and to facilitate migration of functions currently performed by contracted Architectural/Engineering firms and Project Management/Construction Management functions, staff determined that additional CIP staff will be needed to manage the projects anticipated in future years. Staff planned to request two additional project management staff for FY14 as part of the next budget process. However, it would be more strategic to add the two staff positions in the current fiscal year rather than filling the contractor vacancies. Staff recommends adding one (1) Senior Project Manager position and one (1) Project Manager position. Town Project Managers will assume functions currently contracted out, as described earlier in this communication. The original and revised transition plans are summarized in an attachment to this Council Communication.

FINANCIAL IMPACT

The costs of staff project managers are allocated by project, similar to professional and construction management services in the CIP, and are paid by the funding sources shown for each project.

The Capital Projects Group has notified Arcadis that September will be their final month for billable services and the balance of the contract will be a deductive change order to the Town, estimated to be \$395,340 against the approved contract of \$478,320 for FY13. Below is a summary of the fully loaded ongoing costs of project management services including the requested staff positions:

Staffing at Beginning of FY 13		Proposed Staffing (Annualized)	
Town Staff: 1 Asst Town Engineer 1 Project Manager	\$177,972	Existing Town Staff: 1 Asst Town Engineer 1 Project Manager	\$192,466
		Approved New Staff Positions: 1 Senior Project Manager 1 Project Coordinator	\$181,767
		Requested Additional Staff Positions: 1 Senior Project Manager 1 Project Manager	\$188,880
Arcadis: 2 Contracted staff	\$478,320	Arcadis: No staff	\$0
Total Cost of Town Staff & Arcadis	\$656,292	Total Cost of Town Staff & Arcadis	\$563,113

Further, the Capital Projects Group has indicated that if the request is approved, reassignment of the project management functions currently performed by contractors to Town staff Project Managers and Associate Town Engineer is expected to result in projected 2.5% savings of the construction budget. Staff will provide additional data at the Council meeting detailing the projected savings.

The financial impact was reviewed by Dawn Irvine, Management and Budget Manager.

STAFF RECOMMENDATION

Staff recommends approval of the request for the addition of one (1) Senior Project Manager and one (1) Project Manager.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Doug Marshall". The signature is fluid and cursive, with the first name "Doug" being more prominent than the last name "Marshall".

Doug Marshall
Human Resources Analyst

Attachments and Enclosures: Project Management Staffing Transition Plan

Project Management Staffing Transition Plan

Initial Plan, with 2 new approved staff positions in FY13 and 2 Arcadis contract PM's

Year	Town Staff – Project Management	Arcadis – contracted Program Management	Other contracted services
FY11	1 Assistant Town Engineer 1 Project Manager	4 Program Managers	Architectural and Engineering firms; Project Management and Construction Management
FY12	1 Assistant Town Engineer 1 Project Manager	2 Program Managers	Architectural and Engineering firms; Project Management and Construction Management
FY13	1 Assistant Town Engineer 1 Project Manager 1 Senior Project Manager (new) 1 Project Coordinator (new)	2 Program Managers	Architectural and Engineering firms; Project Management and Construction Management
FY14	1 Assistant Town Engineer 2 Project Managers (1 new requested) 2 Senior Project Managers (1 new requested) 1 Project Coordinator	No contracted services	Architectural and Engineering firms; Project Management and Construction Management

Revised Request, adding 1 Senior Project Manager and 1 Project Manager; eliminating Arcadis and other contracted Project Management & Construction Management Services in FY13:

Revised Request	Town Staff – Project Management	Arcadis – contracted Program Management	Other contracted services
FY11	1 Assistant Town Engineer 1 Project Manager	4 Program Managers	Architectural and Engineering firms; Project Management and Construction Management
FY12	1 Assistant Town Engineer 1 Project Manager	2 Program Managers	Architectural and Engineering firms; Project Management and Construction Management
FY13	1 Assistant Town Engineer 1 Project Manager 1 Senior Project Manager (new) 1 Project Coordinator (new) Requested Staffing Change Effective 9/6/12: 1 Senior Project Manager (additional) 1 Project Manager (additional)	If approved 9/6/12: No contracted services	Architectural and Engineering firms Project Management and Construction Management tapering to no contracted Project Management and Construction Management services once Town CIP staff hired and fully functioning
FY14	1 Assistant Town Engineer 2 Project Managers 2 Senior Project Managers 1 Project Coordinator	No contracted services	Architectural and Engineering firms No contracted Project Management and Construction Management services